



LOS ANGELES COUNTY
**DEPARTMENT OF
MENTAL HEALTH**
hope. recovery. wellbeing.

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**Los Angeles County Department of Mental Health Leading Effort for New
Outcomes-Focused Mental Health Contracts Serving More Than 15,000
Residents with Serious Mental Illness**

***\$300 Million in Full Service Partnership Contracts Represent the Largest Transformation of Mental
Health Service Contracts in the Nation***

LOS ANGELES, CA – The Los Angeles County Department of Mental Health (LACDMH) is leading the way in new outcomes-focused Full Service Partnership (FSP) program contracts designed to advance a “whatever it takes” approach to caring for approximately 15,000 individuals in LA County with serious mental illness. Representing the largest system of outcomes-focused mental health service provider contracts in the nation, the redesign of LACDMH’s largest and most intensive outpatient supportive services program covers 196 clinics whose combined contracts are valued at approximately \$300 million.

“On top of the fact that we’re not doing nearly enough to ensure that residents living with severe, persistent mental illness have safe and secure living environments and lead productive lives, Los Angeles County is facing a mental health pandemic,” said **Los Angeles County Department of Mental Health Director Dr. Jonathan E. Sherin, M.D., Ph.D.** “I am heartened by the fact that many other agencies across California are in lock step with us on the FSP redesign and transformation because we must become more effective and efficient in our efforts to serve clients with the highest needs and help them achieve meaningful life outcomes wherein their recovery persists; we must finally walk the talk of FSP’s promise to do ‘whatever it takes’ to support individuals on their path to recovery and wellbeing.”

Statewide, FSP programs were created by the 2004 Mental Health Service Act and are designed to help those who are either currently or at risk of experiencing homelessness, have a history of justice involvement, or are high utilizers of psychiatric facilities. LACDMH’s new outcomes-focused contracts, which went into effect on July 1, set specific client outcome goals for providers and rewards providers who successfully enroll, retain and achieve priority life outcomes for clients with the highest needs. Priority life outcomes include obtaining and maintaining stable housing, reducing recidivism and reducing psychiatric emergency department visits.

Previously, LACDMH contracted for services using a traditional cost-reimbursement model that paid providers based on the quantity of services they provided, rather than on whether they improved client

outcomes. In 2017, with funding from Ballmer Group and in partnership with nonprofit capacity-building organization Third Sector and the UCLA Public Mental Health Partnership, LACDMH began to redesign its FSP program. The goal of the redesign is to support better client outcomes and advance more accountable, effective investments of taxpayer dollars through data-informed decision-making and a “whole person” approach to mental health that helps clients living with severe mental illness stay in the community and lead fulfilling lives.

“Outcomes-focused contracting helps governments to re-center public resources on improving the lives of clients facing severe mental illness. We are excited to bring this proven model to LA County and help transform how LACDMH serves its most vulnerable clients,” said **Third Sector Chief Executive Officer Caroline Whistler**. “We applaud Dr. Sherin for his leadership in undertaking this transformation in partnership with providers and community members with lived experience in mental health challenges. After more than three years of hard work and collaboration with the LACDMH team and their partners, we are proud to see these outcomes-focused contracts in action.”

As the largest county-operated mental health department in the nation, charged with serving more than 250,000 of LA County’s most vulnerable residents every year, LACDMH’s contract transformation reflects a major milestone in leveraging data and financial incentives to help social programs better serve local communities. Santa Clara County launched an [outcomes-focused mental health contract with Third Sector in 2017](#); since then, psychiatric emergency visits have decreased by 81 percent and state hospital days have been reduced to 0. Eight counties in California are now pursuing similar outcomes-focused redesigns of their FSP programs, and the statewide Mental Health Services Oversight and Accountability Commission is leading a multi-county FSP innovation plan.

“We all have a role to play in ensuring that taxpayer dollars are used effectively, and philanthropy can be a powerful lever for positive, systemic change – particularly when partnering with the government and nonprofit sectors,” said **Ballmer Group Executive Director, Los Angeles Nina Revoyr**. “Not only will this redesign support better life outcomes for some of Los Angeles’ most at-risk residents, but it is charting a course for other social programs across the County and the nation to better serve their communities through outcomes-focused contracting.”

The first data reporting period has closed, and LACDMH will gather data on the new outcomes and enrollment metrics and give providers new actionable reports to show them their progress in the first quarter. In an effort to support continuous improvement, UCLA will also launch a series of Learning Collaboratives with providers and LACDMH to discuss progress and lessons learned that will continue throughout the three-year contracts.

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About the Los Angeles County Department of Mental Health

As the nation’s largest public mental health department, we ensure access to care and treatment for our most vulnerable residents in a region with more than 10 million people. With an annual budget approaching \$3 billion and a committed staff of 6,000, LACDMH embodies a “heart-forward” approach to supporting hope, recovery, and wellbeing across the county. For more information on LACDMH, visit dmh.lacounty.gov or follow @LACDMH on Facebook, Twitter, Instagram, and YouTube.

About Third Sector

Third Sector is a 501(c)(3) nonprofit organization that is transforming the way communities connect people with human services. Fulfilling our mission of *transforming public systems to advance improved and equitable outcomes*; we help governments, service providers, and their partners use public funding to generate positive, measurable outcomes for the people they serve. We work alongside communities to help build a future that includes stable employment and housing, increased income, stronger families, and physical and mental health. When our work is complete, agencies entrusted to use public funds will have the systems, tools, and data to do more and do better for their communities. Since 2011, our team has worked nationwide with over 50 communities and transitioned over \$1.2 billion in public funding to social programs that measurably improve lives. For more information about Third Sector, visit thirdsectorcap.org.

About Ballmer Group

Ballmer Group supports efforts to improve economic mobility for children and families in the United States who are disproportionately likely to remain in poverty. We envision a country where every child, regardless of background or circumstance, has an equal chance to achieve the American Dream. Through philanthropy and civic activism, we support organizations and initiatives with national and regional scale. For more information about Ballmer Group, visit ballmergroup.org.